

ANNUAL STATEMENT

For the Year Ending December 31, 2003

OF THE CONDITION AND AFFAIRS OF THE

OmniCare Health Plan

NAIC Group Code	0000	0000	NAIC Company Code	95582	Employer's ID Number	38-2031377
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan	State of Domicile or Port of Entry	Michigan			
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]	Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[]	Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]			
Date Incorporated or Organized	09/23/1972	Date Commenced Business	12/23/1973			
Statutory Home Office	1155 Brewery Park, Suite 250	Detroit, MI 48207				
	(Street and Number)	(City, or Town, State and Zip Code)				
Main Administrative Office	1155 Brewery Park, Suite 250					
	(Street and Number)					
	Detroit, MI 48207	(313)393-2379				
	(City or Town, State and Zip Code)	(Area Code) (Telephone Number)				
Mail Address	1155 Brewery Park, Suite 250	Detroit, MI 48207				
	(Street and Number or P.O. Box)	(City, or Town, State and Zip Code)				
Primary Location of Books and Records	1155 Brewery Park, Suite 250					
	(Street and Number)					
	Detroit, MI 48207	(313)393-2379				
	(City, or Town, State and Zip Code)	(Area Code) (Telephone Number)				
Internet Website Address	WWW.ochp.com					
Statutory Statement Contact	Kenyata J. Rogers, Controller	(313)393-2379				
	(Name)	(Area Code)(Telephone Number)(Extension)				
	Krogers@ochp.com	(313)393-4743				
	(E-Mail Address)	(Fax Number)				
Policyowner Relations Contact						
	(Street and Number)					
	(City, or Town, State and Zip Code)	(Area Code) (Telephone Number)(Extension)				

OFFICERS

Deputy Rehabilitator Bobby L. Jones

Deputy Rehabilitator Beverly Allen

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Herman B. Gray M.D.

George Shade M.D.

Tej Mattoo M.D.

State of Michigan

County of Wayne ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)	(Signature)	(Signature)
Bobby Jones	Beverly Allen	
(Printed Name)	(Printed Name)	(Printed Name)
Deputy Rehabilitator	Deputy Rehabilitator	Treasurer
	a. Is this an original filing?	Yes[X] No[]
	b. If no,	
	1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	

Subscribed and sworn to before me this

day of , 2004

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	1,079,334		1,079,334	1,193,588
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks	(81,908)		(81,908)	
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$..... encumbrances)				
4.2	Properties held for the production of income (less \$..... encumbrances)				
4.3	Properties held for sale (less \$..... encumbrances)				
5.	Cash (\$.....5,046,525 Schedule E Part 1), cash equivalents (\$.....236,549 Schedule E Part 2) and short-term investments (\$.....0 Schedule DA)	5,283,074		5,283,074	3,341,276
6.	Contract loans (including \$..... premium notes)				
7.	Other invested assets (Schedule BA)				(14,006)
8.	Receivable for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	6,280,500		6,280,500	4,520,858
11.	Investment income due and accrued	14,224		14,224	15,013
12.	Premiums and considerations				
12.1	Uncollected premiums and agents' balances in the course of collection	2,871,312	43,281	2,828,031	2,796,664
12.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$..... earned but unbilled premiums)				
12.3	Accrued retrospective premiums				
13.	Reinsurance:				
13.1	Amounts recoverable from reinsurers				125,037
13.2	Funds held by or deposited with reinsured companies				
13.3	Other amounts receivable under reinsurance contracts				
14.	Amounts receivable relating to uninsured plans				
15.1	Current federal and foreign income tax recoverable and interest thereon				
15.2	Net deferred tax asset				
16.	Guaranty funds receivable or on deposit				
17.	Electronic data processing equipment and software	288,930	288,930	0	225,283
18.	Furniture and equipment, including health care delivery assets (\$.....)				
19.	Net adjustment in assets and liabilities due to foreign exchange rates				
20.	Receivables from parent, subsidiaries and affiliates	992,937		992,937	
21.	Health care (\$.....4,091,867) and other amounts receivable	4,144,340	2,150,000	1,994,340	3,362,123
22.	Other assets nonadmitted				
23.	Aggregate write-ins for other than invested assets				121,779
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	14,592,242	2,482,211	12,110,032	11,166,757
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	14,592,242	2,482,211	12,110,032	11,166,757
DETAILS OF WRITE-INS					
0901	.....			
0902	.....			
0903	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	.....			
2302.	W.I.C. Receivable				121,779
2303	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				121,779

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	20,497,042	238,041	20,735,083	22,765,842
2.	Accrued medical incentive pool and bonus amounts	869,646		869,646	1,682,399
3.	Unpaid claims adjustment expenses	164,628		164,628	175,489
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	2,853,210		2,853,210	20,793
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittance and items not allocated				
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15.	Amounts due to parent, subsidiaries and affiliates				64,379
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured accident and health plans				
21.	Aggregate write-ins for other liabilities (including \$..... current)				468,673
22.	TOTAL Liabilities (Lines 1 to 21)	24,384,526	238,041	24,622,567	25,177,575
23.	Common capital stock	X X X	X X X		
24.	Preferred capital stock	X X X	X X X		
25.	Gross paid in and contributed surplus	X X X	X X X		
26.	Surplus notes	X X X	X X X	13,977,132	13,974,864
27.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
28.	Unassigned funds (surplus)	X X X	X X X	(26,489,667)	(27,985,682)
29.	Less treasury stock, at cost:	X X X	X X X		
29.1	..... shares common (value included in Line 23 \$.....)	X X X	X X X		
29.2	..... shares preferred (value included in Line 24 \$.....)	X X X	X X X		
30.	TOTAL capital and surplus (Lines 23 to 28 minus Line 29)	X X X	X X X	(12,512,535)	(14,010,818)
31.	TOTAL Liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	12,110,032	11,166,757
DETAILS OF WRITE-INS					
2101.	Accrued Liabilities - FEHBP				468,673
2102	.....			
2103	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)				468,673
2701	.....	X X X	X X X		
2702	.....	X X X	X X X		
2703	.....	X X X	X X X		
2798.	Summary of remaining write-ins for Line 27 from overflow page	X X X	X X X		
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	924,664	998,782
2.	Net premium income (including \$..... non-health premium income)	X X X	172,578,849	172,814,334
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X	(6,923,137)	161,967
7.	Aggregate write-ins for other non-health revenues	X X X	15,178	
8.	TOTAL revenues (Lines 2 to 7)	X X X	165,670,890	172,976,302
Hospital and Medical:				
9.	Hospital/medical benefits	496,382	96,705,210	112,646,804
10.	Other professional services		7,520,443	
11.	Outside referrals			
12.	Emergency room and out-of-area	61,351	17,680,652	15,109,870
13.	Prescription drugs		27,916,586	27,914,299
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts		80,085	(123,812)
16.	Subtotal (Lines 9 to 15)	557,733	149,902,976	155,547,161
Less:				
17.	Net reinsurance recoveries		(125,037)	(196,878)
18.	TOTAL hospital and medical (Lines 16 minus 17)	557,733	150,028,013	155,744,039
19.	Non-health claims			
20.	Claims adjustment expenses		1,203,320	1,175,048
21.	General administrative expenses		13,180,590	14,572,367
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23.	TOTAL underwriting deductions (Lines 18 through 22)	557,733	164,411,923	171,491,454
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	1,258,967	1,484,848
25.	Net investment income earned		120,276	(210,622)
26.	Net realized capital gains or (losses)			300
27.	Net investment gains or (losses) (Lines 25 plus 26)		120,276	(210,322)
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	1,379,243	1,274,526
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	1,379,243	1,274,526
DETAILS OF WRITE-INS				
0601.	Women, Infants and Children's Program Revenue	X X X	170,676	161,967
0602.	Quality Assessment Assurance Fee	X X X	(7,093,813)	
0603	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	(6,923,137)	161,967
0701.	Miscellaneous	X X X	15,178	
0702	.....	X X X		
0703	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X	15,178	
1401	.....		
1402	.....		
1403	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	.....		
2902	.....		
2903	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	(14,010,818)	(57,830,909)
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	1,379,243	1,274,526
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Net unrealized capital gains and losses	(67,901)	
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	447,339	(2,670,646)
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes	2,268	
43.	Cumulative effect of changes in accounting principles	(258,903)	
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus	(3,761)	45,216,211
48.	Net change in capital and surplus (Lines 34 to 47)	1,498,285	43,820,091
49.	Capital and surplus end of reporting year (Line 33 plus 48)	(12,512,533)	(14,010,818)
DETAILS OF WRITE-INS			
4701.	Effect of Rehabilitation - reduction in liabilities	(3,761)	45,216,211
4702	.....	
4703	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(3,761)	45,216,211

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	171,509,513	166,275,445
2.	Net investment income	106,284	339,155
3.	Miscellaneous income	(3,760,825)	5,548,360
4.	Total (Lines 1 through 3)	167,854,972	172,162,960
5.	Benefit and loss related payments	152,871,525	193,367,742
6.	Net transfers to Separate, Segregated and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	12,980,916	
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$...... net tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	165,852,441	193,367,742
11.	Net cash from operations (Lines 4 minus 10)	2,002,531	(21,204,782)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	363,325	387,969
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	363,325	387,969
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	424,058	427,041
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		134,272
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	424,058	561,313
14.	Net increase (or decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(60,733)	(173,344)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds received		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)		
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)		
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18.	Net change in cash and short-term investments (Line 11, plus Line 15, plus Line 17)	1,941,798	(21,378,126)
19.	Cash and short-term investments:		
19.1	Beginning of year	3,341,276	24,719,402
19.2	End of year (Line 18 plus Line 19.1)	5,283,074	3,341,276

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

(Gain and Loss Exhibit)

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other Health	Other Non-Health
1.	Net premium income	172,578,849	27,425,770				7,510,557		137,642,522					
2.	Change in unearned premium reserves and reserve for rate credit													
3.	Fee-for-service (net of \$..... medical expenses)													X X X
4.	Risk revenue													X X X
5.	Aggregate write-ins for other health care related revenues	(6,923,137)	(1,008,723)				(434,424)		(5,650,666)				170,676	X X X
6.	Aggregate write-ins for other non-health care related revenues	15,178	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	15,178
7.	TOTAL revenues (Lines 1 to 6)	165,670,890	26,417,047				7,076,133		131,991,856				170,676	15,178
8.	Hospital/medical benefits	96,705,210	15,248,805				4,191,584		77,264,821					X X X
9.	Other professional services	7,520,443	908,137				180,688		6,431,618					X X X
10.	Outside referrals													X X X
11.	Emergency room and out-of-area	17,680,652	2,202,936				600,783		14,876,933					X X X
12.	Prescription drugs	27,916,586	3,118,217				1,437,775		23,360,594					X X X
13.	Aggregate write-ins for other hospital and medical													X X X
14.	Incentive pool, withhold adjustments and bonus amounts	80,085	150,317				67,421		(137,653)					X X X
15.	Subtotal (Lines 8 to 14)	149,902,976	21,628,412				6,478,251		121,796,313					X X X
16.	Net reinsurance recoveries	(125,037)	(77,915)						(47,122)					X X X
17.	TOTAL hospital and medical (Lines 15 minus 16)	150,028,013	21,706,327				6,478,251		121,843,435					X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses	1,203,320	200,751				78,070		924,500					
20.	General administrative expenses	13,180,590	2,515,799				527,224		9,968,256				169,311	
21.	Increase in reserves for accident and health contracts													X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL underwriting deductions (Lines 17 to 22)	164,411,923	24,422,877				7,083,544		132,736,191				169,311	
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	1,258,967	1,994,170				(7,411)		(744,335)				1,365	15,178
DETAILS OF WRITE-INS														
0501.	W I C Revenue	170,676											170,676	X X X
0502.	Quality Assessment Assurance Fee	(7,093,813)	(1,008,723)				(434,424)		(5,650,666)					X X X
0503.	.....													X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page													X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	(6,923,137)	(1,008,723)				(434,424)		(5,650,666)				170,676	X X X
0601.	Miscellaneous	15,178	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	15,178
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	15,178	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	15,178
1301.	.....													X X X
1302.	.....													X X X
1303.	.....													X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page													X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)													X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	27,477,504		51,734	27,425,770
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employee Health Benefits Plan	7,528,258		17,701	7,510,557
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid	137,882,362		239,840	137,642,522
8.	Stop loss				
9.	Disability income				
10.	Long-term care				
11.	Other health				
12.	Health subtotal (Lines 1 through 11)	172,888,124		309,275	172,578,849
13.	Life				
14.	Property/casualty				
15.	TOTALS (Lines 12 to 14)	172,888,124		309,275	172,578,849

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1.	Payments during the year:													
	1.1 Direct	151,978,685	22,154,196				6,647,885		123,176,604					
	1.2 Reinsurance assumed													
	1.3 Reinsurance ceded													
	1.4 Net	151,978,685	22,154,196				6,647,885		123,176,604					
2.	Paid medical incentive pools and bonuses	892,838	166,371				70,061		656,406					
3.	Claim liability December 31, current year from Part 2A:													
	3.1 Direct	20,735,083	5,589,199				861,536		14,284,348					
	3.2 Reinsurance assumed													
	3.3 Reinsurance ceded													
	3.4 Net	20,735,083	5,589,199				861,536		14,284,348					
4.	Claim reserve December 31, current year from Part 2D:													
	4.1 Direct													
	4.2 Reinsurance assumed													
	4.3 Reinsurance ceded													
	4.4 Net													
5.	Accrued medical incentive pools and bonuses, current year	869,646	267,126				67,421		535,099					
6.	Amounts recoverable from reinsurers December 31, current year													
7.	Claim liability December 31, prior year from Part 2A:													
	7.1 Direct	22,765,841	6,187,385				1,098,591		15,479,865					
	7.2 Reinsurance assumed													
	7.3 Reinsurance ceded													
	7.4 Net	22,765,841	6,187,385				1,098,591		15,479,865					
8.	Claim reserve December 31, prior year from Part 2D:													
	8.1 Direct													
	8.2 Reinsurance assumed													
	8.3 Reinsurance ceded													
	8.4 Net													
9.	Accrued medical incentive pools and bonuses, prior year	1,682,399	283,180				70,061		1,329,158					
10.	Amounts recoverable from reinsurers December 31, prior year	125,037	77,915						47,122					
11.	Incurred benefits:													
	11.1 Direct	149,947,927	21,556,010				6,410,830		121,981,087					
	11.2 Reinsurance assumed													
	11.3 Reinsurance ceded	(125,037)	(77,915)						(47,122)					
	11.4 Net	150,072,964	21,633,925				6,410,830		122,028,209					
12.	Incurred medical incentive pools and bonuses	80,085	150,317				67,421		(137,653)					

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - Claims Liability End of Current Year

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1.	Reported in Process of Adjustment:													
	1.1 Direct	8,395,095	3,055,407				201,235		5,138,453					
	1.2 Reinsurance assumed													
	1.3 Reinsurance ceded													
	1.4 Net	8,395,095	3,055,407				201,235		5,138,453					
2.	Incurred but Unreported:													
	2.1 Direct	12,339,987	2,533,792				660,301		9,145,894					
	2.2 Reinsurance assumed													
	2.3 Reinsurance ceded													
	2.4 Net	12,339,987	2,533,792				660,301		9,145,894					
3.	Amounts Withheld from Paid Claims and Capitations:													
	3.1 Direct													
	3.2 Reinsurance assumed													
	3.3 Reinsurance ceded													
	3.4 Net													
4.	TOTALS													
	4.1 Direct	20,735,083	5,589,199				861,536		14,284,348					
	4.2 Reinsurance assumed													
	4.3 Reinsurance ceded													
	4.4 Net	20,735,083	5,589,199				861,536		14,284,348					

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical)	5,664,230	16,489,967	910,230	4,678,970	6,574,459	6,187,385
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan	690,953	5,956,932	163,003	698,533	853,956	1,098,591
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid	13,017,676	110,158,928	2,071,459	12,212,890	15,089,135	15,479,865
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	19,372,859	132,605,826	3,144,691	17,590,393	22,517,550	22,765,841
10.	Other non-health						
11.	Medical incentive pool and bonus amounts	892,838		108,829	760,817	1,001,667	1,682,399
12.	TOTALS (Lines 9 to 11)	20,265,697	132,605,826	3,253,520	18,351,210	23,519,217	24,448,240

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior					
2.	1999					
3.	2000	X X X				
4.	2001	X X X	X X X	109,650	39,851	2,928
5.	2002	X X X	X X X	X X X	136,670	17,338
6.	2003	X X X	X X X	X X X	X X X	132,606

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior					
2.	1999					
3.	2000	X X X				
4.	2001	X X X	X X X	189,951	154,682	155,057
5.	2002	X X X	X X X	X X X	155,938	154,635
6.	2003	X X X	X X X	X X X	X X X	150,958

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1999	X X X			X X X		X X X				X X X
2.	1999										
3.	2000										
4.	2001	192,770	152,430	1,565	1.027	153,995	79.885	2,626		156,621	81.248
5.	2002	172,815	154,007	1,062	0.690	155,069	89.731	628	4	155,701	90.097
6.	2003	172,579	132,606	1,200	0.905	133,806	77.533	18,352	161	152,319	88.260
7.	TOTAL (Lines 1 through 6)	X X X	439,043	3,827	X X X	442,870	X X X	21,606	165	464,641	X X X
8.	TOTAL (Lines 2 through 6)	538,164	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior					
2.	1999					
3.	2000	X X X				
4.	2001	X X X	X X X	28,974	8,892	1,028
5.	2002	X X X	X X X	X X X	21,634	4,803
6.	2003	X X X	X X X	X X X	X X X	16,490

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior					
2.	1999					
3.	2000	X X X				
4.	2001	X X X	X X X	52,786	39,386	39,682
5.	2002	X X X	X X X	X X X	26,584	26,610
6.	2003	X X X	X X X	X X X	X X X	21,386

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1999	X X X			X X X		X X X				X X X
2.	1999										
3.	2000										
4.	2001	44,298	38,894	271	0.697	39,165	88.413	788		39,953	90.191
5.	2002	33,559	26,437	204	0.772	26,641	79.386	173	2	26,816	79.907
6.	2003	27,696	16,490	146	0.885	16,636	60.066	4,896	27	21,559	77.842
7.	TOTAL (Lines 1 through 6)	X X X	81,821	621	X X X	82,442	X X X	5,857	29	88,328	X X X
8.	TOTAL (Lines 2 through 6)	105,553	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only. NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only. NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only. NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only. NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only. NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only. NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Federal Employees Health Benefits Plan Premiums

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior					
2.	1999					
3.	2000	X X X				
4.	2001	X X X	X X X	2,484	1,219	23
5.	2002	X X X	X X X	X X X	5,772	738
6.	2003	X X X	X X X	X X X	X X X	5,957

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior					
2.	1999					
3.	2000	X X X				
4.	2001	X X X	X X X	8,354	4,050	3,886
5.	2002	X X X	X X X	X X X	6,596	6,515
6.	2003	X X X	X X X	X X X	X X X	6,723

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1999	X X X			X X X		X X X				X X X
2.	1999										
3.	2000										
4.	2001	6,104	3,727	60	1.610	3,787	62.041	158		3,945	64.630
5.	2002	7,382	6,509	39	0.599	6,548	88.702	5		6,553	88.770
6.	2003	7,240	5,957	59	0.990	6,016	83.094	766	9	6,791	93.798
7.	TOTAL (Lines 1 through 6)	X X X	16,193	158	X X X	16,351	X X X	929	9	17,289	X X X
8.	TOTAL (Lines 2 through 6)	20,726	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior	N O N E				
2.	1999					
3.	2000					
4.	2001		X X			
5.	2002		X X	X X X		
6.	2003		X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior	N O N E				
2.	1999					
3.	2000					
4.	2001		X X			
5.	2002		X X	X X X		
6.	2003		X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	Prior to 1999	X X X			X X X		X X X				X X X
2.	1999										
3.	2000			N O N E							
4.	2001										
5.	2002										
6.	2003										
7.	TOTAL (Lines 1 through 6)	X X X			X X X		X X X				X X X
8.	TOTAL (Lines 2 through 6)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior					
2.	1999					
3.	2000	X X X				
4.	2001	X X X	X X X	78,192	29,740	1,877
5.	2002	X X X	X X X	X X X	109,264	11,797
6.	2003	X X X	X X X	X X X	X X X	110,159

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior					
2.	1999					
3.	2000	X X X				
4.	2001	X X X	X X X	128,811	111,246	111,489
5.	2002	X X X	X X X	X X X	122,758	121,510
6.	2003	X X X	X X X	X X X	X X X	122,849

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	Prior to 1999	X X X			X X X		X X X				X X X
2.	1999										
3.	2000										
4.	2001	142,368	109,809	1,234	1.124	111,043	77.997	1,680		112,723	79.177
5.	2002	131,874	121,061	819	0.677	121,880	92.422	450	2	122,332	92.764
6.	2003	137,643	110,159	995	0.903	111,154	80.755	12,690	125	123,969	90.066
7.	TOTAL (Lines 1 through 6)	X X X	341,029	3,048	X X X	344,077	X X X	14,820	127	359,024	X X X
8.	TOTAL (Lines 2 through 6)	411,885	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve - NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	1	2	3	4
	Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$..... for occupancy of own building)	72,000	936,123		1,008,123
2. Salaries, wages and other benefits	1,013,810	6,736,734		7,750,544
3. Commissions (less \$..... ceded plus \$..... assumed)				
4. Legal fees and expenses		184,964		184,964
5. Certifications and accreditation fees		71,691		71,691
6. Auditing, actuarial and other consulting services	12,000	973,259		985,259
7. Traveling expenses		102,084		102,084
8. Marketing and advertising		379,758		379,758
9. Postage, express and telephone	941	681,889		682,831
10. Printing and office supplies	6,378	139,223		145,601
11. Occupancy, depreciation and amortization		53,891		53,891
12. Equipment		23,884		23,884
13. Cost or depreciation of EDP equipment and software		87,133		87,133
14. Outsourced services including EDP, claims, and other services		56,891		56,891
15. Boards, bureaus and association fees		32,250		32,250
16. Insurance, except on real estate		297,591		297,591
17. Collection and bank service charges		39,852		39,852
18. Group service and administration fees		191,677		191,677
19. Reimbursements by uninsured accident and health plans				
20. Reimbursements from fiscal intermediaries				
21. Real estate expenses				
22. Real estate taxes				
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes				
23.2 State premium taxes				
23.3 Regulator authority licenses and fees				
23.4 Payroll taxes	95,799	628,615		724,414
23.5 Other (excluding federal income and real estate taxes)				
24. Investment expenses not included elsewhere				
25. Aggregate write-ins for expenses	2,392	1,563,081		1,565,473
26. Total expenses incurred (Lines 1 to 25)	1,203,320	13,180,590		(a) 14,383,911
27. Less expenses unpaid December 31, current year	164,628	2,853,210		3,017,838
28. Add expenses unpaid December 31, prior year	175,489	20,794		196,283
29. Amounts receivable relating to uninsured accident and health plans, prior year				
30. Amounts receivable relating to uninsured accident and health plans, current year				
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .	1,214,181	10,348,174		11,562,356
DETAILS OF WRITE-INS				
2501. Temporary Personnel		507,281		507,281
2502. Licenses and Fees		655,807		655,807
2503. Other Admin. Expense	2,392	100,041		102,433
2598. Summary of remaining write-ins for Line 25 from overflow page		299,951		299,951
2599. Totals (Lines 2501 through 2503 + 2598)(Line 25 above)	2,392	1,563,081		1,565,473

(a) Includes management fees of \$.....14,110,899 to affiliates and \$..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a)..... 63,159	..... 48,063
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....	.....
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash/short-term investments	(e)..... 72,161	..... 72,213
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 135,320	..... 120,276
11.	Investment expenses	(g).....	
12.	Investment taxes, licenses and fees, excluding federal income taxes	(g).....	
13.	Interest expense	(h).....	
14.	Depreciation on real estate and other invested assets	(i).....	
15.	Aggregate write-ins for deductions from investment income .....	.....
16.	Total deductions (Lines 11 through 15) .....	.....
17.	Net Investment income (Line 10 minus Line 16) .....	..... 120,276	
DETAILS OF WRITE-INS			
0901	.....	.....	.....
0902	.....	.....	.....
0903	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501	.....	.....
1502	.....	.....
1503	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....

- (a) Includes \$.....4,788 accrual of discount less \$.....19,056 amortization of premium and less \$..... paid for accrued interest on purchases.
- (b) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued dividends on purchases.
- (c) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
- (d) Includes \$..... for company's occupancy of its own buildings; and excluding \$..... interest on encumbrances.
- (e) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
- (f) Includes \$..... accrual of discount less \$..... amortization of premium.
- (g) Includes \$..... investment expenses and \$..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$..... interest on surplus notes and \$..... interest on capital notes.
- (i) Includes \$..... depreciation on real estate and \$..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1.	U.S. Government bonds .....	.....	.....	.....	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash/short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	.....	.....	.....	.....	.....
DETAILS OF WRITE-INS						
0901	.....	.....	.....	.....	.....	.....
0902	.....	.....	.....	.....	.....	.....
0903	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....	.....	.....	.....

NONE

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

		1	2	3
		End of Current Year	End of Prior Year	Changes for Year (Increase) or Decrease
1.	Summary of items Page 2, Lines 12 to 20, Column 2	332,211	225,910	(106,301)
2.	Other Nonadmitted Assets:			
2.1	Bills receivable	2,150,000	2,536,660	386,660
2.2	Leasehold improvements			
2.3	Cash advanced to or in the hands of officers and agents			
2.4	Loans on personal security, endorsed or not			
2.5	Commuted commissions			
3.	Total (Lines 2.1 to 2.5)	2,150,000	2,536,660	386,660
4.	Aggregate write-ins for other assets		166,980	166,980
5.	TOTAL (Line 1 plus Line 3 and Line 4)	2,482,211	2,929,550	447,339
DETAILS OF WRITE-INS				
0401.	Prepaid Expenses		166,980	166,980
0402.	.....		
0403	.....		
0498.	Summary of remaining write-ins for Line 4 from overflow page			
0499.	TOTALS (Lines 0401 through 0403 plus 0498) (Line 4 above)		166,980	166,980

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	78,613	76,522	76,645	77,842	77,255	924,664
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service	52					
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	78,665	76,522	76,645	77,842	77,255	924,664
DETAILS OF WRITE-INS							
0601	.....					
0602	.....					
0603	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Plan have been prepared in conformity with the NAIC Accounting Practices and Procedures manual except to the extent that Michigan law differs.

Effective January 1, 2003, the State of Michigan required that insurance companies domiciled in the State of Michigan prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) statutory accounting practices subject to any deviations prescribed or permitted by the Michigan Office of Financial and Insurance Services.

B. Use of Estimates

The presentation of the Financial Statements in conformity with the NAIC Accounting Practices and Procedures manual requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Net Worth Requirement

Under regulations issued by OFIS in June 2000, HMOs were required to meet new net worth requirements on December 31, 2003. The requirement for the Plan is the greater of \$1,500,000, three months of uncovered expenditures (approximately \$300,000), or 4% of annual subscription revenue (\$6,619,000). As such, with a net deficit of \$12,512,000, the Plan is not in compliance with these requirements. The First Amended Rehabilitation Plan provides for the achievement of full statutory compliance with net worth requirements by the end of 2007 through membership, administrative expense and medical loss ratio targets. Achievement of the Rehabilitation Plan depends on future events, the outcome of which cannot be assured. Accordingly, no adjustments resulting from the ultimate resolution of this uncertainty have been recorded in the financial statements.

C. Accounting Policies

(1) Cash and Cash Equivalents

Short-term investments with a maturity of three months or less at the time of purchase are reported as cash equivalents.

(2) Short-term Investments

Short-term investments consist of investments in debt securities with maturity dates of one year or less at the purchase date. Such investments are carried at amortized cost less any valuation allowances and non-admitted amounts.

(3) Investments

Marketable Securities, including amounts reserved pursuant to State of Michigan requirements are stated at amortized cost less any valuation allowances and non-admitted amounts and consist of U. S. Government obligations. \$1,000,000 of these amounts represents a contingency fund under an agreement with the Office of Financial and Insurance Services (OFIS), Commissioner of the State of Michigan.

(4) Investment in Subsidiary

Investment in subsidiary is accounted for under the equity method.

(5) Medical Claims Payable and Unpaid Claims Adjustment Expenses

Medical claims payable include the cost of services for which providers have submitted claims, as well as management's estimate of the cost of claims that have been incurred but not reported (IBNR). Unpaid claims adjustment expenses are an estimate of the cost to process the IBNR claims. The cost of claims that have been incurred but not reported has been estimated by management based on relevant historical data and trends. Management believes that methodologies employed to estimate the claims liability are reasonable and the claims liability recorded is appropriate. Management's estimate may change in the future. Any favorable or unfavorable changes are reflected in operations when determined.

(6) Medical Services Expense

The Plan contracts with various health care providers for the provision of certain medical services to its members and generally compensates those providers on a capitated or fee-for-service basis.

(7) Premium Revenue

Membership contracts are negotiated on a yearly basis, subject to cancellation by the employer group or the Plan upon 30 days' written notice. Premiums are due monthly and are recognized as revenue during the period in which the Plan is obligated to provide services to members. Amounts collected in advance of the due date are recorded as a deferred premium revenue liability.

2. Accounting Changes and Corrections of Errors

Notes to Financial Statement

- A.

As a result of the Plan having been placed in Rehabilitation on July 30, 2001, the Commissioner of OFIS, as Rehabilitator, filed a plan of rehabilitation with the Ingham County Circuit Court. The Rehabilitation Plan, which was approved on July 29, 2002, allowed for a general restatement of the Plan’s outstanding debts at July 30, 2001. The approval of the Rehabilitation Plan resulted in a discharge of \$31,236,000 in liabilities and \$17,3000,000 of surplus notes existing at July 30, 2001. To properly reflect the results of operations for the year ending December 31, 2003 and 2002, the Plan received approval from OFIS to restate beginning of the year net deficit as a permitted practice. The result of the effect of the restructuring is reported as an aggregate write-in on the Statement of Liabilities, Capital and Surplus.
- B.

In 1999, the NAIC completed a process to codify statutory accounting practices (SAP) for certain insurance enterprises (Codification). Accounting changes adopted to conform to the provisions of Codification are reported as an adjustment to statutory surplus in the period of the change in accounting principles. The cumulative effect is the difference between the amount of statutory surplus at the beginning of the year and the amount of statutory surplus that would have been reported at that date if the new accounting principles had been applied retroactively for the prior period. As required by OFIS, the Company adopted codification, and as a result, reported a cumulative effect of change in accounting principles as an adjustment that decreased statutory surplus \$259,000 as of January 1, 2003, primarily related to the non-admittance of electronic data processing equipment.
3.

Business Combinations and Goodwill

None
4.

Discontinued Operations

At December 31, 2002, the Plan discontinued its Point of Service (POS) line of business. At December 31, 2002, the estimated liability recorded for the POS line of business was \$115,000. Actual payments in 2003 related to this line of business were \$149,000. The Plan does not expect to incur any further liability in relation to this line of business.
5.

Investments

None
6.

Joint Ventures, Partnerships and Limited Liability Companies

None
7.

Investment Income

The Plan has not excluded any investment income due and accrued from surplus.
8.

Derivative Instruments

None
9.

Income Taxes

The Internal Revenue Service has ruled that the Plan qualifies as a tax-exempt entity under section 501(c)(4) of the Internal Revenue Code (IRC). Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. Plan management is not aware of any course of action or series of events that have occurred that might adversely affect the Plan’s qualified status.
10.

Information Concerning Parent, Subsidiaries and Affiliates

A.

Through October 31, 2002, the Plan had a management agreement with United American Healthcare Corporation (UAHC), whereby UAHC provided administrative services for a management fee. Under the management agreement, UAHC was reimbursed actual administrative costs incurred on behalf of the Plan plus 4%. Through February 2002, UAHC paid for, and was reimbursed by the Plan, for virtually all of the Plan’s administrative costs. Beginning March 1, 2002 through the October 31, 2002 termination of the agreement, the administrative costs incurred on behalf of the Plan by UAHC were primarily limited to payroll, occupancy, insurance, and depreciation. For the year ended December 31, 2003 and 2002, management fee expense under this agreement aggregated \$0 and \$9,567,000, respectively. At December 31, 2003 and 2002, \$384,000 and \$380,000, respectively, are due from UAHC for overpayment of management fees. A collectibility reserve is recorded for the amount due from UAHC.

UAHC is an employer group, which offers the Plan’s healthcare coverage to its employees. For the years ending December 31, 2003 and 2002, premium revenue earned from UAHC and its employees was approximately \$40,000 and \$670,000, respectively.

B.

The Plan is 100% owner of the outstanding common shares of its subsidiary, OmniCare TPA, Inc. Effective November 1, 2002, the Plan entered into a management agreement with Omnicare TPA, Inc., whereby Omnicare TPA, Inc. provides administrative services for the Plan for a management fee of 9% of the Plan’s Medicaid capitation and commercial premium revenue. In 2003, the management agreement was amended, reducing the management fee for the period January 1, 2003 to December 31, 2003 to 8.5% of the Plan’s Medicaid capitation and commercial premium revenue. For the years ended December 31, 2003 and 2002, management fee expense under this agreement aggregated \$14,111,000 and \$2,445,000 respectively. At December 31, 2003, \$993,000 is due from Omnicare TPA, Inc. for management fees advanced. At

Notes to Financial Statement

December 31, 2002, approximately \$64,000 was due to Omnicare TPA, Inc.

On November 1, 2002, OmniCare TPA, Inc. became an employer group, which offers the Plan’s healthcare coverage to its employees. Premium revenue earned from Omnicare TPA, Inc. and its employees for the years ending December 31, 2003 and 2002 was approximately \$1,005,000 and \$163,000, respectively.

- C. Through December 19, 2002, the Plan had a 60% interest in a joint venture with Blue Cross Blue Shield, CasinoCare LLC. On December 19, 2002, the joint venture was dissolved. An additional \$134,000 capital contribution to CasinoCare LLC was necessary to dissolve the entity.

11. Debt

None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefits Plans

None

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

- A. In accordance with the requirements of the State of Michigan, unassigned funds have been reduced by \$2,482,000 of non-admitted asset values and \$68,000 of unrealized losses.
- B. In accordance with the approved First Amended Rehabilitation Plan, \$13,977,000 of the Plan’s unpaid claims at July 30, 2001 were converted to surplus notes, pursuant to the creditors’ payment elections and the stipulations of the Plan’s approved First Amended Rehabilitation Plan. The surplus notes do not bear interest, and have no stated maturity or repayment date. All surplus notes are subordinate to claims of creditors and members of the Plan and any other priority claims provided by Chapter 81 of the Michigan Insurance Code. The surplus notes shall be repaid only out of the surplus earnings of the Plan, and only with the prior written approval of the Michigan OFIS. If the Plan repays the principal in full at any time during years one through eight after the date of the issuance of the surplus notes, the principal shall be discounted to the amount equal to the following applicable percentages of the unpaid principal: 2004-40%; 2005-50%; 2006-60%; 2007-70%; 2008-80%; 2009-90%; 2010-100%.

The following are the surplus notes outstanding at December 31, 2002:

Holder of the Note	Amount
ACTIVE REHAB CENTER INC.	1,017.73
ADVANCED FOOTCARE PC	327.15
ADVANCED ORTHO LAB. INC.	10,220.00
AKBAR NEPHROLOGY HTN	3,752.24
ALLEN PARK FIRE DEPT	1,241.49
ALLERGY & ASTHMA ASSOC. OF MI	4,407.03
ALTERNACARE PC	318.76
ANGELA HOME HEALTH CARE	143.33
ARBOR-YBI FOOT @ ANKLE CTR	318.27
ASSOC IN RADIATION ONCOLOGY	9,180.09
ASSOCIATED SPECIALISTS INC.	281.63
ASSOCIATES IN MEDICINE	25,105.64
ASSOCIATES IN NEUROLOGY P.C.	3,098.51
AUSTIN, DONALD C.	530.77
BARNA, MARY E. DPM & ASSOC. PC	388.15
BARTHOLOMEW, FREDERICK D.	2,035.15
BEALS, JOSEPH A.	1,367.01
BIGGS, THOMAS W. (II)	430.65
BODZIN, JASON H.	637.00
BOHRA, BAHADUR S.	2,174.37
BRIGHTMOOR GENERAL	2,578.79
BROWN, SANDRA	4,182.87
BRYAN, LAURAN A.	2,825.70
BURNS, ROBERT A. (II)	68.97
BUTLER, JAMES E. (III)	819.85
CARDELLI, MARCIA B.	88.00
CARDIO-CEREBRAL MONITORING	201.65
CARDIOLOGY CONSUL. MI/OHIO	256.89
CHEST SPECIALIST, PC	823.13
CHIROPRACTIC WORKS, PC	457.08
CITRUS RADIOLOGY ASSOCIATES	101.15
CLARK, ROBERT T. , M.D.,P.C.	357.18
CLAYMAN, LEWIS	1,334.01
COMPREHENSIVE GERIATRIC SERV	91.73
CONVENIENT CARE AFTER HOURS	8,236.59
CRYSTAL HOME HEALTHCARE INC.	17,659.14
CURTIS, KEITH I.	383.02

Notes to Financial Statement

DABBAGH, MAMOUN	1,800.68
DAHHAN, A.	29.58
DAY, FRANCIS THOMAS (II)	280.33
DEARBORN ALLERGY & ASTHMA	1,819.63
DEARBORN SURGICAL ASSOC.	1,316.85
DELP, ROBERT A.	1,749.36
DESAI, HEMA A.	317.07
DET PHYS THERAPY & REHAB CTR	2,353.75
DIAGNOSTIC RADIOLOGY	29.75
DOWNRIVER PODIATRISTS PC	98.68
DOWNRIVER RADIOLOGY	1,221.80
EDER, DENNIS M.	138.44
EMC SPECIALISTS, P.C.	491.87
EMERGICARE PHYS PC	200.00
EMERGYSTAT INC.	493.85
ENT SURGICAL ASSOCIATES	11,206.37
FAMILY MEDICINE FACULTY	227.19
FARMINGTON HEALTH CARE	64,879.39
FARMINGTON HEALTH CARE	53,200.00
FARMINGTON HILLS FIRE DEPART	155.64
FERNDALE FIRE DEPARTMENT	1,131.26
FOOT SPECIALISTS, PC	111.99
GANDHI, BALBIN	633.93
GANDHI, RAVINDER	824.86
GARDEN CITY FIRE DEPT	491.76
GARDEN CITY OSTEOPATHIC HOSPITAL	487,600.61
GARLAPATY, VASU R.	252.99
GENERAL MEDICINE, P.C.	112.29
GENERAL ORTHOPEDICS	599.93
GI MEDICINE ASSOC. PC	5,765.47
GILYARD, GARY G.	5,191.29
GIMENEZ, ALBINO F.	508.52
GLAUCOMA CENTER OF MICHIGAN	3,369.61
GRAHOVAC, JURE, MD, PC	5,897.07
GRENN, GORDON L.	118.05
GUPTA, MADAN	8,626.72
GUPTA, RASHMI	2,430.48
HAZEL PARK, CITY OF	683.35
HEARTCARE	1,688.22
HECKER, EARL	235.44
HENRY FORD HEALTH SYSTEM	6,406,938.52
HILBRICH DERMATOPATHOLOGY LAB	2,267.61
HORAK, JEFFREY A.	485.47
HOUSE CALL PHYSICIANS	98.37
HOWARD MEDICAL CLINIC, PC	39,592.01
HUSSAIN, MURTAZA	2,207.31
ICE, ANNE-MARE	6,975.69
IMMCO DIAGNOSTICS	170.00
JARDON EYE PROSTHETICS INC.	714.48
JORDAN, WILLIAM L.	33,566.25
KAISER MEDICAL CENTER PC	5,244.50
KAMIL ORTHOPEDIC GROUP	4,267.28
KANER, SANFORD R.	118.23
KARRIS, GREGORY P.	632.21
KASSEM, CHARARA	617.33
KUMAR, ARVIND	445.20
LAWRENCE, KENNETH R.	76.98
LEE, ROBERT F.	484.00
LEGALLEY, CATHERINE	345.24
LEVITT, JEFFERY	342.57
LEVY & LEVY MD.PC. (DR'S.)	3,088.40
LIFE + LINK INC.	1,116.55
LIGHTBOURN, GEORGE A.	1,003.30
LIVONIA RADIOLOGY GROUP, PC	4,912.24
LMT REHABILITATION ASSOCIATES, PC	2,049.91
LONG LAKE PODIATRISTS, PC	247.13
LUNG ASSOCIATES PC	951.44
MACOMB COUNTY VILLAGE CLINIC	2,922.23
MACOMB GASTROENTEROLOGY	289.90
MADAHAVAN, TOM, MD, PC	421.05
MAJID, OMAR A.	681.79
MARCOUX CHIROPRACTIC	26.00

Notes to Financial Statement

MARCUS, ANDREW	146.49
MARKOWITZ, JERRY B.	4,826.30
MARLETTE COMMUNITY HOSPITAL	112.55
McFORD PEDIATRICS P.L.C.	312.67
MCQUIGGAN, MARK C.	123.50
MEDICINE CONSULTATION SERV	624.75
MERCY AMB SER INC	150.83
METROPOLITAN PAIN MANAGEMENT	144.00
MI SURG ASSOCIATES	5,452.86
MICHIGAN ORTHOPEDIC SERVICE LLC	20,698.30
NATIONAL DIGITIZING SERVICES	148.88
NATIONAL PATHOLOGY SERVICE	108.81
NEWMAN, JAMES M.	300.01
NOLAN, KEVIN D.	1,273.73
NORTH OAKLAND MEDICAL CENTER	475,017.76
OAKWOOD HOSP HERITAGE/TAYLOR	337.00
OAKWOOD HOSPITAL AND MEDICAL CENTER	722,226.58
OLENECH, CHRIS M.	189.90
OPHTHAMOLOGY ASSOC. PC	2,941.65
PAREKH, ARUNA J.	98.26
PARIS/BARRETTO/LEGASPI MD	538.98
PARMELY, JOHN D.	1,942.91
PEDIATRIC ACADEMIC ASSOC	19.55
PEDIATRIC NEUROSURGERY GROUP	18,301.58
PEDIATRIC PULMONARY ASSSOC.	29.84
PEDIATRIC SPECIAL CARE, INC	2,534.42
PEDICARE PEDIATRIC CLINIC	247.94
PHILLIPS, JACQUELINE	1,737.87
POKRIEFKA, RICHARD A., DO, PC	3,542.89
PREMIER INTERNAL MED ASSOC	78.74
QUALITY HEALTHCARE PROVIDERS	529.93
RAIMI, HARVEY, DO, PC	1,076.75
RAYTEL CARDIAC SERVICES	3,355.56
REDDY, CHAKRADHAR C. (M.D.)	4,470.48
REDFORD TOWNSHIP FIRE DEPT.	1,181.43
REHM, ANN M.	105.81
RENAISSANCE MEDICAL GROUP	771.56
RIVER CENTRE CLINIC	5,068.00
ROCHESTER ANESTHESIOLOGISTS	2,523.75
RUARK, DEBORAH S.	570.29
RUBIN, MICHAEL	447.72
RUSH FOUNDATION	77.17
SANTIAGO, RENE	372.22
SCHOENFELD, ROBERT J.	78.45
SHERWOOD MEDICAL CENTER	2,878.78
SHIENER, GERALD A.	195.00
SIMS, DEBORAH W.	128.59
SMITH, MICHAEL D.	1,967.24
SMITH, PAUL G.	132.01
SOBEL, HOWARD B.	123.13
SOLEYMANI, SION	2,678.45
SOLIMAN, GAMIL Z.	997.84
SOO, TECK	35.76
SOUTHFIELD PED PHYS PC	3,215.75
SPECTRA DIAGNOSTIC LAB	442.70
ST JOHN ANESTHESIOLOGISTS	8,509.54
ST. ALEXIUS MEDICAL CENTER	975.20
ST. CLAIR SURGICAL SPEC., P.C.	2,517.94
ST. JOHN HEALTH SYSTEM	5,251,054.05
STUBBS, JAMES W. (JR.)	3,610.35
SURAKOMOL, KOMOL	3,436.49
THAVARAJAH, K.	72.48
TOTAL FAMILY HEALTH SERVICES	6,087.99
TRAX, TIMOTHY E. (D.C.)	233.75
TRINITY MEDICAL CENTER	8,115.90
TUAZON, ERNESTO C.	124.32
U.S. MEDICAL EQUIPMENT, INC.	33,781.20
UDO-INYANG, ANTHONY D.	1,317.04
UNIV. EMERG. PHYS. INC.	42.24
UNIVERSAL MACOMB AMBULANCE	25,242.11
UPFALL, NOEL, PC	614.49
UROLOGY ASSOC OF N.W. OHIO	67.91

Notes to Financial Statement

UZOKWE, KEKE	2,288.82
VASCULAR SURGERY ASSOC.	186.89
VIPOND, FRASER W.	2,030.97
VISITING THERAPISTS, INC.	1,340.96
WEINGARDEN, DAVID S.	293.41
WEISBERG CANCER CENTER	2,302.96
WEISSMAN/GITLIN/HERKOWITZ PC.	13,491.28
WEST FLORIDA DIALYSIS CENTER	5,208.50
WILLIAMSON, MALCOLM E., D.O., P.C.	522.20
WOMENS HEALTH & WELLNESS CENTER	757.74
WYANDOTTE, CITY OF	1,072.39
YOO, JINWOO	3,739.30
YOUNG, SEO,MD,PC	269.50
ZAKARIA, NAHED	397.80
ZICHERMAN, HERMAN	425.15
ZICHERMAN, RALPH	343.00
	13,977,131.73

14. Contingencies

- A. In 2001, OPM performed an audit of the FEHBP operations for the years 1996-2000. At December 31, 2002, the Plan had recorded a contingent liability of \$469,000 for potential liabilities pursuant to this audit. This amount represented an estimated liability of \$2,343,000 payable at 20% pursuant to the approved First Amended Rehabilitation Plan. In April 2003, OPM issued the Final Audit report indicating an amount owed to OPM of \$2,755,000, which at 20% is \$551,000. In August 2003, the Plan paid OPM \$335,000, which was agreed upon by both OPM and the Plan as due for the period 1996-1998. At December 31, 2003, the Plan has recorded a liability of \$134,000 related to the audit years 1999 and 2000, as this settlement has not been finalized between the Plan and OPM.
- B. The Plan is in negotiations with UAHC in regards to an asset purchase agreement. The execution of the asset purchase agreement (as drafted) will result in the Plan purchasing certain assets relating to its business operations, which were acquired by UAHC while performing its role as management company for the Plan. The purchase price of the assets will be \$800,000, with \$500,000 cash due at the closing date of the agreement, and a promissory note issued for the remainder of the balance owed. As these negotiations are finalized, the terms of these agreements may change.

15. Leases

The Plan is in negotiations with UAHC in regards to a sublease agreement. Under the sublease agreement (as drafted), the Plan will sublet the entire office premises in which the Plan currently resides from UAHC. The sublease agreement would be effective November 1, 2002, through May 10, 2005. Under this agreement, the Plan’s management company incurred rent expense for 2003 and 2002, of \$921,000 and \$867,000, respectively. Future minimum lease payments under the terms of the agreement would be as follows: 2004-\$948,000; and 2005-\$341,000.

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None

18. Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans

None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

					Total
			Types of	Type of	Direct
Name and Address	FEIN	Exclusive	Business	Authority	Premiums
of TPA	Number	Contract	Written	Granted	Written By
OmniCare TPA, Inc.					
1155 Brewery Park Blvd.	38-3639256	Yes	Commercial	C, CA, R,	\$34,936,000
Suite 250			HMO	B, P, U	
Detroit, MI 48207					

- C - Claims Payment
CA - Claims Adjustment
R - Reinsurance Ceding
B - Binding Authority
P - Premium Collection
U - Underwriting

Notes to Financial Statement

20. September 11, Events

None

21. Other Items

The Plan reported noncash investing and financing activities in 2002 as a result of converting \$13,977,000 of unpaid claim liability to surplus notes. The Plan did not engage in any noncash investing and financing activities in 2003.

22. Events Subsequent

None

23. Reinsurance

- A. The Plan has an agreement with Allianz Life Insurance Company of North America to provide reinsurance for subscribers’ inpatient hospital services claims. After a deductible of \$200,000 is reached, coverage under this agreement ranges between 50% and 90% of net loss in excess of the Plan’s deductible. The maximum annual reinsurance coverage for each member is \$2,000,000. The Plan pays a premium ranging from \$0.17 to \$0.96 per member per month for this coverage. For the years 2003 and 2002, the Plan incurred reinsurance expense of \$309,000 and \$322,000, respectively.
- B. Reinsurance premiums are reported as deductions from Medicaid capitation and commercial premium revenue. Reinsurance recoveries are reported as deductions from medical service expense.
- C. At December 31, 2002, the Plan recorded \$125,000 of reinsurance recoverable under its reinsurance contract. In 2003, as a result of a change in estimate, this receivable was written off, \$0 reinsurance recoverable is recorded.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None

25. Change in Incurred Claims and Claim Adjustment Expenses

There were no changes in the provision of incurred claim and claim adjustment expenses attributable to insured events of prior years.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

Not applicable.

28. Health Care Receivables

- B. Pharmaceutical Rebate Receivables

The Plan estimates pharmaceutical rebate receivables based on historical quarterly collections. The Plan changed its pharmaceutical rebate procedures during 2003 to comply with the requirements of SSAP Number 84, which established requirements for inclusion of pharmaceutical rebate receivables as admitted assets. Pharmaceutical rebates are estimated for the most recent quarter. For prior quarters pharmaceutical rebates that are included as admitted assets are confirmed by the Pharmacy Benefit Manager within 60 days of the end of each quarter and are paid to the Plan within 90 days of the confirmation. The following table provides detail of pharmaceutical rebate collections over the last three years:

Notes to Financial Statement

	Pharmaceutical Rebates					
Quarter ended	Estimated amount as reported on financial statements	Billed or otherwise confirmed	Received within 90 days of confirmation or quarter end	Received within 91 to 180 days of confirmation or quarter end	Received more than 180 days after confirmation or quarter end	
December 31, 2003	349,602	—	—	—	—	
September 30, 2003	383,218	395,430	—	—	—	
June 30, 2003	358,552	399,097	319,711	—	—	
March 31, 2003	325,000	—	—	323,490	30,308	
December 31, 2002	325,000	—	—	339,024	38,150	
September 30, 2002	325,000	—	—	247,734	121,098	
June 30, 2002	297,000	—	—	255,561	84,903	
March 31, 2002	256,393	—	—	246,260	53,619	
December 31, 2001	323,431	—	—	268,048	51,407	
September 30, 2001	323,430	—	—	336,409	16,687	
June 30, 2001	313,367	—	—	344,741	13,023	
March 31, 2001	315,981	—	—	293,735	56,771	

For the quarters ended March 31, 2001 through March 31, 2003 the Plan did not have a billing or confirmation process in place for pharmaceutical rebates. For these periods the amounts received are aged from the end of each respective quarter.

B. Health Care Receivables - Risk Sharing Receivables

		Risk Sharing Receivable as Estimated			Actual Risk Sharing Amounts
	Evaluation Period	and Reported In	Risk Sharing Receivable	Risk Sharing Receivable	Collected in The Year
Calendar Year	Year Ending	the Current Year	Invoiced/ Confirmed	Not/Invoiced Confirmed	Invoiced/ Confirmed
2003	2003	\$ -	\$ -	\$ -	\$ -
2002	2002	\$ -	\$ -	\$ -	\$ -
2001	2001	\$ -	\$108,281	\$ -	\$108,281

29. Participating Policies

None

30. Premium Deficiency Reserves

At December 31, 2003 and 2002, a premium deficiency reserve was determined not to be necessary.

31. Anticipated Salvage and Subrogation

None

SUMMARY INVESTMENT SCHEDULE

Investment Categories		Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
		1 Amount	2 Percentage	3 Amount	4 Percentage
1.	Bonds:				
1.1	U.S. treasury securities	636,281	10.131	636,281	10.131
1.2	U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21	Issued by U.S. government agencies				
1.22	Issued by U.S. government sponsored agencies				
1.3	Foreign government (including Canada, excluding mortgage-backed securities)				
1.4	Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41	States, territories and possessions general obligations				
1.42	Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43	Revenue and assessment obligations				
1.44	Industrial development and similar obligations				
1.5	Mortgage-backed securities (includes residential and commercial MBS):				
1.51	Pass-through securities:				
1.511	Guaranteed by GNMA				
1.512	Issued by FNMA and FHLMC	443,053	7.054	443,053	7.054
1.513	Privately issued				
1.52	CMOs and REMICs:				
1.521	Issued by FNMA and FHLMC				
1.522	Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523	All other privately issued				
2.	Other debt and other fixed income securities (excluding short term):				
2.1	Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2	Unaffiliated foreign securities				
2.3	Affiliated securities				
3.	Equity interests:				
3.1	Investments in mutual funds				
3.2	Preferred stocks:				
3.21	Affiliated				
3.22	Unaffiliated				
3.3	Publicly traded equity securities (excluding preferred stocks):				
3.31	Affiliated				
3.32	Unaffiliated				
3.4	Other equity securities:				
3.41	Affiliated	(81,908)	(1.304)	(81,908)	(1.304)
3.42	Unaffiliated				
3.5	Other equity interests including tangible personal property under lease:				
3.51	Affiliated				
3.52	Unaffiliated				
4.	Mortgage loans:				
4.1	Construction and land development				
4.2	Agricultural				
4.3	Single family residential properties				
4.4	Multifamily residential properties				
4.5	Commercial loans				
4.6	Mezzanine real estate loans				
5.	Real estate investments:				
5.1	Property occupied by company				
5.2	Property held for production of income (includes \$..... of property acquired in satisfaction of debt)				
5.3	Property held for sale (\$..... including property acquired in satisfaction of debt)				
6.	Policy loans				
7.	Receivables for securities				
8.	Cash and short-term investments	5,283,074	84.119	5,283,074	84.119
9.	Other invested assets				
10.	Total invested assets	6,280,500	100.000	6,280,500	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Michigan
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/1995
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/1995
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

12/31/1996
- 3.4 By what department or departments?
Michigan Insurance Bureau
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

Yes[] No[X]
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

Yes[] No[X]
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement)

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

GENERAL INTERROGATORIES (continued)

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
..... Yes[] No[X] ..	.. Yes[] No[X] ..	.. Yes[] No[X] ..	.. Yes[] No[X] ..	.. Yes[] No[X] ..

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

KPMG, LLP, 150 W. Jefferson, Suite 1200, Detroit, MI 48226
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

KPMG, LLP, Charles Friedstat, 303 East Wachter Drive, Chicago, ILL 60601
11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 11.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[X]
- 11.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[X]
- 11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]

BOARD OF DIRECTORS

12. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
13. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
14. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

- 15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 15.11 To directors or other officers

\$
- 15.12 To stockholders not officers

\$
- 15.13 Trustees, supreme or grand (Fraternal only)

\$
- 15.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 15.21 To directors or other officers

\$
- 15.22 To stockholders not officers

\$
- 15.23 Trustees, supreme or grand (Fraternal only)

\$
- 16.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 16.2 If yes, state the amount thereof at December 31 of the current year:
- 16.21 Rented from others

\$
- 16.22 Borrowed from others

\$
- 16.23 Leased from others

\$
- 16.24 Other

\$
- Disclose in Notes to Financial the nature of each obligation.
- 17.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 17.2 If answer is yes:
- 17.21 Amount paid as losses or risk adjustment

\$
- 17.22 Amount paid as expenses

\$
- 17.23 Other amounts paid

\$

GENERAL INTERROGATORIES (continued)

INVESTMENT

18. List the following capital stock information for the reporting entity:

Class		1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
1.	Preferred .....	.....	.....	.....	.....	Yes[] No[] N/A[X]	Yes[] No[] N/A[X]
2.	Common .....	.....	.....	.....	..... X X X .....	..... X X X .....	..... X X X

19.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits?

Yes[X] No[]

19.2 If no, give full and complete information, relating thereto:

20.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1).

Yes[] No[X]

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21 Loaned to others

20.22 Subject to repurchase agreements

20.23 Subject to reverse repurchase agreements

20.24 Subject to dollar repurchase agreements

20.25 Subject to reverse dollar repurchase agreements

20.26 Pledged as collateral

20.27 Placed under option agreements

20.28 Letter stock or securities restricted as to sale

20.29 Other

\$

\$

\$

\$

\$

\$

\$

\$

\$

20.3 For each category above, if any of these assets are held by other, identify by whom held:

- 20.31
- 20.32
- 20.33
- 20.34
- 20.35
- 20.36
- 20.37
- 20.38
- 20.39

For categories (20.21) and (20.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

20.4 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]

If no, attach a description with this statement.

22.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]

22.2 If yes, state the amount thereof at December 31 of the current year.

\$

GENERAL INTERROGATORIES (continued)

INVESTMENT

23. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?
- 23.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[] No[X]

1	2
Name of Custodian(s)	Custodian's Address
.....

- 23.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....

- 23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year?
- 23.04 If yes, give full and complete information relating thereto:
- Yes[] No[X]

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....

- 23.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address
.....	Standard Federal Bank	20600 W. Big Beaver, Troy, MI 48084

- 24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?
- 24.2 If yes, complete the following schedule:
- Yes[] No[X]

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
24.2999 Total

- 24.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
.....

GENERAL INTERROGATORIES (Continued)

OTHER

25.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$
25.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....

26.1 Amount of payments for legal expenses, if any? \$ 184,964
26.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Raymond & Prokop, P.C. ....	..... 105,908
Dunk & Marchak, PLC .....	..... 77,050

27.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$
27.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only:

\$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$
- 1.31 Reason for excluding:
- 1.4 Indicate amount of premium earned attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned

\$
- 1.62 Total incurred claims

\$
- 1.63 Number of covered lives

\$
- All years prior to most current three years:
- 1.64 Total premium earned

\$
- 1.65 Total incurred claims

\$
- 1.66 Number of covered lives

\$
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned

\$
- 1.72 Total incurred claims

\$
- 1.73 Number of covered lives

\$
- All years prior to most current three years:
- 1.74 Total premium earned

\$
- 1.75 Total incurred claims

\$
- 1.76 Number of covered lives

\$

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	172,578,849	172,814,334
2.2	Premium Denominator	172,578,849	172,814,334
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	21,604,730	24,488,240
2.5	Reserve Denominator	21,604,730	24,448,240
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.002

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes[X] No[]
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance?

Yes[] No[X]
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical

\$
- 5.32 Medical Only

\$
- 5.33 Medicare Supplement

\$
- 5.34 Dental

\$
- 5.35 Other Limited Benefit Plan

\$
- 5.36 Other

\$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Contingency trust of \$1 million; Members confined in an inpatient facility have benefits continue until discharge; Hold harmless provisions included in contracts state providers will seek compensation only from the plan.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service data base?

Yes[X] No[]
- 7.2 If no, give details:
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year

2445
- 8.2 Number of providers at end of reporting year

2471
- 9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months

0
- 9.22 Business with rate guarantees over 36 months

0

GENERAL INTERROGATORIES (continued)
PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes☒ No☐

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 841,200

10.22 Amount actually paid for year bonuses

\$ 280,911

10.23 Maximum amount payable withholds

\$ 8,502,631

10.24 Amount actually paid for year withholds

\$ 611,927

11.1 Is the reporting entity organized as:

11.12 A medical Group/Staff Model,

Yes☐ No☒

11.13 An Individual Practice Association (IPA), or,

Yes☒ No☐

11.14 A Mixed Model (combination of above)?

Yes☐ No☒

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes☒ No☐

11.3 If yes, show the name of the state requiring such net worth.

Michigan

11.4 If yes, show the amount required.

\$ 6,619,401

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes☐ No☒

11.6 If the amount is calculated, show the calculation.

4% of net premium revenue (Premium income of \$172,578,849 , plus other healthcare related revenue of (\$7,093,813))

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Wayne, Oakland, Macomb, and Washtenaw

33

FIVE-YEAR HISTORICAL DATA

	1 2003	2 2002	3 2001	4 2000	5 1999
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	12,110,032	11,166,757	36,966,790	17,657,990	24,623,298
2. Total liabilities (Page 3, Line 22)	24,622,567	25,177,575	94,797,699	58,374,372	32,200,505
3. Statutory surplus	6,619,401	1,500,000	1,500,000	1,500,000	500,000
4. Total capital and surplus (Page 3, Line 30)	(12,512,535)	(14,010,818)	(57,830,909)	(40,716,382)	(7,577,207)
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 8)	165,670,890	172,976,302	192,967,093	172,691,287	129,051,143
6. Total medical and hospital expenses (Line 18)	150,028,013	155,744,039	189,951,413	166,503,207	119,046,908
7. Total administrative expenses (Line 21)	13,180,590	14,572,367	19,412,921	22,273,723	19,028,947
8. Net underwriting gain (loss) (Line 24)	1,258,967	1,484,848	(17,962,609)	(16,617,766)	(9,024,712)
9. Net investment gain (loss) (Line 27)	120,276	(210,322)	498,575	616,723	17,000
10. Total other income (Lines 28 plus 29)					
11. Net income or (loss) (Line 32)	1,379,243	1,274,526	(17,464,034)	(16,001,043)	(9,024,712)
RISK-BASED CAPITAL ANALYSIS					
12. Total adjusted capital	(12,512,535)	(14,010,818)	(57,830,908)	(40,716,382)	(7,577,207)
13. Authorized control level risk-based capital	5,266,157	5,375,225	6,783,010	6,325,105	2,540,780
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	77,255	78,665	94,218	100,484	77,356
15. Total members months (Column 6, Line 7)	924,664	998,782	1,169,125	1,106,105	995,700
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5)					
16. Premiums earned (Lines 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total hospital and medical (Line 18)	86.9	90.1	98.5	97.5	
18. Total underwriting deductions (Line 23)	95.3	99.2	109.4	109.1	0.9
19. Total underwriting gain (loss) (Line 24)	0.7	0.9	(9.3)	(9.7)	
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 12, Col. 5)	23,519,217	48,075,477	57,118,958	53,784,593	27,192,732
21. Estimated liability of unpaid claims-[prior year (Line 12, Col. 6)] ..	24,448,240	91,425,377	57,118,958	24,295,969	27,250,000
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
23. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)					
24. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)	(81,908)				
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)					
26. Affiliated mortgage loans on real estate					
27. All other affiliated					
28. Total of above Lines 22 to 27	(81,908)				

SCHEDULE D - SUMMARY BY COUNTRY
Long-term Bonds and Stocks OWNED December 31 of Current Year

Description			1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1.	United States	1,079,334	1,144,489	1,093,601	1,078,000
	2.	Canada				
	3.	Other Countries				
	4.	Totals	1,079,334	1,144,489	1,093,601	1,078,000
States, Territories and Possessions (Direct and Guaranteed)	5.	United States				
	6.	Canada				
	7.	Other Countries				
	8.	Totals				
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9.	United States				
	10.	Canada				
	11.	Other Countries				
	12.	Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13.	United States				
	14.	Canada				
	15.	Other Countries				
	16.	Totals				
Public Utilities (unaffiliated)	17.	United States				
	18.	Canada				
	19.	Other Countries				
	20.	Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21.	United States				
	22.	Canada				
	23.	Other Countries				
	24.	Totals				
Parent, Subsidiaries and Affiliates	25.	Totals				
	26.	Total Bonds	1,079,334	1,144,489	1,093,601	1,078,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27.	United States				
	28.	Canada				
	29.	Other Countries				
	30.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31.	United States				
	32.	Canada				
	33.	Other Countries				
	34.	Totals				
Industrial and Miscellaneous (unaffiliated)	35.	United States				
	36.	Canada				
	37.	Other Countries				
	38.	Totals				
Parent, Subsidiaries and Affiliates	39.	Totals				
	40.	Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41.	United States				
	42.	Canada				
	43.	Other Countries				
	44.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45.	United States				
	46.	Canada				
	47.	Other Countries				
	48.	Totals				
Industrial and Miscellaneous (unaffiliated)	49.	United States				
	50.	Canada				
	51.	Other Countries				
	52.	Totals				
Parent, Subsidiaries and Affiliates	53.	Totals	(81,908)	(81,908)	5,000	
	54.	Total Common Stocks	(81,908)	(81,908)	5,000	
	55.	Total Stocks	(81,908)	(81,908)	5,000	
	56.	Total Bonds and Stocks	997,426	1,062,581	1,098,601	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$.....

SCHEDULE D - Verification Between Years

1. Book/adjusted carrying value of bonds and stocks, prior year.	<u>1,193,588</u>	6. Foreign Exchange Adjustment	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	<u>130,000</u>	6.1 Column 17, Part 1.....	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....	
3.1 Column 16, Part 1.....	<u>(14,268)</u>	6.3 Column 11, Part 2, Section 2.....	
3.2 Column 12, Part 2, Section 1.....		6.4 Column 11, Part 4.....	
3.3 Column 10, Part 2, Section 2.....	<u>(81,908)</u>		
3.4 Column 10, Part 4.....	<u>(96,176)</u>	7. Book/adjusted carrying value at end of current period.....	<u>997,426</u>
4. Total gain (loss), Column 14, Part 4.....	<u>14</u>	8. Total valuation allowance.....	
5. Deduct consideration for bonds and stocks disposed of		9. Subtotal (Lines 7 plus 8).....	<u>997,426</u>
Column 6, Part 4.....	<u>230,000</u>	10. Total nonadmitted assets.....	
		11. Statement value of bonds and stocks, current period.....	<u>997,426</u>

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Allocated by States and Territories

		1	2	Direct Business Only					
		Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	3	4	5	6	7	8
State, Etc.				Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Deposit-Type Contract Funds	Property/ Casualty Premiums
1.	Alabama (AL)	No	No						
2.	Alaska (AK)	No	No						
3.	Arizona (AZ)	No	No						
4.	Arkansas (AR)	No	No						
5.	California (CA)	No	No						
6.	Colorado (CO)	No	No						
7.	Connecticut (CT)	No	No						
8.	Delaware (DE)	No	No						
9.	District of Columbia (DC)	No	No						
10.	Florida (FL)	No	No						
11.	Georgia (GA)	No	No						
12.	Hawaii (HI)	No	No						
13.	Idaho (ID)	No	No						
14.	Illinois (IL)	No	No						
15.	Indiana (IN)	No	No						
16.	Iowa (IA)	No	No						
17.	Kansas (KS)	No	No						
18.	Kentucky (KY)	No	No						
19.	Louisiana (LA)	No	No						
20.	Maine (ME)	No	No						
21.	Maryland (MD)	No	No						
22.	Massachusetts (MA)	No	No						
23.	Michigan (MI)	No	Yes	27,477,503		137,882,362	7,528,258		
24.	Minnesota (MN)	No	No						
25.	Mississippi (MS)	No	No						
26.	Missouri (MO)	No	No						
27.	Montana (MT)	No	No						
28.	Nebraska (NE)	No	No						
29.	Nevada (NV)	No	No						
30.	New Hampshire (NH)	No	No						
31.	New Jersey (NJ)	No	No						
32.	New Mexico (NM)	No	No						
33.	New York (NY)	No	No						
34.	North Carolina (NC)	No	No						
35.	North Dakota (ND)	No	No						
36.	Ohio (OH)	No	No						
37.	Oklahoma (OK)	No	No						
38.	Oregon (OR)	No	No						
39.	Pennsylvania (PA)	No	No						
40.	Rhode Island (RI)	No	No						
41.	South Carolina (SC)	No	No						
42.	South Dakota (SD)	No	No						
43.	Tennessee (TN)	No	No						
44.	Texas (TX)	No	No						
45.	Utah (UT)	No	No						
46.	Vermont (VT)	No	No						
47.	Virginia (VA)	No	No						
48.	Washington (WA)	No	No						
49.	West Virginia (WV)	No	No						
50.	Wisconsin (WI)	No	No						
51.	Wyoming (WY)	No	No						
52.	American Samoa (AS)	No	No						
53.	Guam (GU)	No	No						
54.	Puerto Rico (PR)	No	No						
55.	U.S. Virgin Islands (VI)	No	No						
56.	Canada (CN)	No	No						
57.	Aggregate other alien (OT)	X X X	X X X						
58.	TOTAL (Direct Business)	X X X	(a). 1	27,477,503		137,882,362	7,528,258		
DETAILS OF WRITE-INS									
5701	.....							
5702	.....							
5703	.....							
5798.	Summary of remaining write-ins for Line 57 from overflow page								
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above) ..								

(a) Insert the number of yes responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

OmniCare Health Plan, Insurer

Tax ID: 38-2031377

NAIC Code: 95582

State: MI



OmniCare TPA, Inc.

Tax ID: 38-3639256

State: MI

(100% Owned by Insurer)